

BOARD REPORT & ANNUAL RETURN

IMPLICATIONS UNDER THE COMPANIES (AMENDMENT) ACT, 2017

SECTION 134(1) – FINANCIAL STATEMENTS, BOARD’S REPORT, ETC.

In addition to chairperson of the company where he is authorized by the Board or by two directors out of which one shall be managing director, if any, the Chief Financial Officer and the company secretary of the company, The Chief Executive Officer (wherever appointed) of the Company is also required to sign the financial statements of the Company even if the Chief Executive officer of the Company is not a director in the company.

SECTION 134(3)(a) – FINANCIAL STATEMENTS, BOARD’S REPORT, ETC.

The Extract of Annual Return (in Form MGT 9) is not required to be enclosed with the Board Report, The Company is only required to disclose the web link in the Board Report where the annual return referred to in sub-section (3) of section 92 is placed.

SECTION 134(3)(p) – FINANCIAL STATEMENTS, BOARD’S REPORT, ETC.

A statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made shall be disclosed in the Board Report.

Harmonious Interpretation of Amendment in Section 178 (2) and Section 134(3)(p):

Now post amendment

The Nomination & Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

The above said manner shall be disclosed in the Board Report.

SECTION 134(3)(q) – FINANCIAL STATEMENTS, BOARD’S REPORT, ETC.

Presently the company is required to give complete disclosures as per Sub-section 3 of Section 134 in the Board report, even if the same has been disclosed in the Financial Statements, however, post amendment only reference is required to be given in the Board report that the disclosure have been included in the financial statements.

This will result in avoiding duplication of data in the Board Report and Financial statements of the Company.

The Nomination & Remuneration Policy of the Company and the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year is not required to be disclosed in the Director's Report, if the following conditions are fulfilled:

- a) Above said policy is placed on the website of the Company And
- b) Salient Feature and any change therein along with the web address at which complete policies are available is disclosed in the Board report.

The above stated provision has been newly inserted.

SECTION 134(3A) – FINANCIAL STATEMENTS, BOARD'S REPORT, ETC.

The Central Government is empowered to prescribe an abridged form of Annual Return to facilitate ease of doing business and for reducing the burden of One Person Company and Small Company.

The above stated provision has been newly inserted.

SECTION 92(1)(c) & (j)– ANNUAL RETURN

The requirement with respect to the disclosure of the indebtedness of the Company in the Annual Return of the Company is omitted.

Certain information with respect to the Foreign Institutional Investors is not required to be disclosed now.

SECTION 92(1) – ANNUAL RETURN

The Central Government is empowered to prescribe an abridged form of Annual Return to facilitate ease of doing business and for reducing the burden of One Person Company and Small Company.

The above stated proviso has been newly inserted.

SECTION 92(3) – ANNUAL RETURN

A copy of Annual Return shall be placed on the website and web link of the same shall be disclosed in the Board Report.

SECTION 92(4) & (5) – ANNUAL RETURN

Annual Return of the Company can be filed after the expiry of prescribed time with additional fee as prescribed which shall not be Rs. 100 per day.

In case where there is default in filing of Annual return of the Company on two or more occasions then, the same can be submitted on payment of higher additional fee as prescribed* shall not be less than twice the additional fee as may prescribed.

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